



PAW

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re application of:

Dante Pellegrini

Appl. No. 09/736,134

Filed: December 15, 2000

For: SYSTEM THAT TRANSFERS
ASSET OWNERSHIP USING A
PROBABILISTIC MODEL

Art Unit: 3628

Examiner: Richard C. Fults

Atty. Docket No.: 22571-166778

Confirmation No.: 8140

Customer No:

26694

26694

PATENT TRADEMARK OFFICE

Petition To Withdraw Holding Of Abandonment Under 37 CFR 1.181(a)

Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Sir:

Applicant hereby petitions for withdrawal of holding of abandonment:

In support of this petition, Applicant states the following:

1. The application was filed on December 15, 2000.
2. A first non-final action was issued on March 5, 2004 and a timely response was filed on June 3, 2004, with arguments for patentability of the claimed invention in view of the prior art of record.
3. The final action maintained the rejection of the first office action. There is essentially no difference between the grounds of rejection in the first office action and the final office action. Both actions rejected claims under 35 USC 112 and 35 USC 101 and 35 USC 103. The grounds for the rejection in the first and final

actions are identical.

4. On November 09, 2004, a pre-scheduled telephonic interview was conducted with Examiner Dick Fults (the examiner) during which the undersigned and Applicant, Mr. Dante Pelligrini the inventor of the claimed invention, discussed the final rejection and verbally argued for patentability of the claims over the cited prior art. Also discussed during the telephonic interview was the possibility of appealing the final action if an amicable agreement could not be reached with the examiner. Then, the examiner suggested filing an RCE application, with a request for reconsideration of the June 3rd response and agreed to hold an examiner interview at the Office after the RCE filing to resolve the issues. In order to avoid a lengthy appeal process, Applicant agreed to file the RCE application in lieu of a notice of appeal.
5. In compliance with the examiner's suggestion, Applicant filed an RCE application on January 19, 2005. Per the examiner's instructions, the RCE Transmittal contained an express request for reconsideration of the previously filed response of June 3, 2004. The RCE Transmittal also contained authorization for payment of RCE fee of \$395 as well as Extension of time fee of \$60 for one month. Copies of the RCE Transmittal and Applicant's June 3, 2004 response are attached herewith as Exhibits A and B, respectively.
6. Because the RCE Transmittal contained an express request for reconsideration of the previously filed response, as suggested by the examiner, and payment of required fees, the application should not have become abandoned, at the very least, because no new office action, including even a first final action, was issued for reconsideration of the previously filed response of June 3, 2004, which was expressly requested in the RCE Transmittal.
7. According to "RCE questions and Answers" published on the USPTO website, (<http://www.uspto.gov/web/offices/dcom/olia/aipa/rcefaq.htm>), "[p}rior to submitting the request for continued examination (and fee), the final rejection

continues as modified by the advisory action. The request for continued examination (and fee) may be accompanied by new arguments or amendments. The request for continued examination, however, need not be accompanied by new arguments or amendments. The fact that the previously submitted arguments were not found persuasive does not preclude them as a submission under 37 CFR 1.114, provided that such arguments are responsive within the meaning of 37 CFR 1.111 to the Office action. Consideration of whether any submission is responsive within the meaning of 37 CFR 1.111 to the last outstanding Office action is done without factoring in the "final" status of such outstanding Office action. Thus, a reply which might not be acceptable as a reply under 37 CFR 1.113 when the application is under a final rejection may very well be acceptable as a reply under 37 CFR 1.111." (Emphasis Added)

8. According to 37 C.F.R. 1.111(a), after the Office action, if adverse in any respect, the applicant or patent owner, if he or she persists in his or her application for a patent or reexamination proceeding, must reply thereto and may request reconsideration or further examination, with or without amendment.
9. According to 37 C.F.R. 1.111 (b), in order to be entitled to reconsideration or further examination, the applicant or patent owner must reply to the Office action. The reply by the applicant or patent owner must be reduced to a writing which distinctly and specifically points out the supposed errors in the examiner's action and must reply to every ground of objection and rejection in the prior Office action. The reply must present arguments pointing out the specific distinctions believed to render the claims, including any newly presented claims, patentable over any applied references.
10. In the instant application, the request for reconsideration in the RCE transmittal and the response filed on June 3, 2004 were reduced to writing. Because the rejections and grounds therefore were identical in the first and final actions, the June 3rd response to the first action specifically pointed out the errors in the

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examiner's action regarding the rejections cited in the final office action. Thus, the request for reconsideration of the June 3rd response to the first office was responsive to the final action and met the submission requirements for a proper RCE. As agreed with the examiner, the whole point of filing the RCE was to have the examiner reconsider Applicant's June 3rd response to the first office action. Otherwise, Applicant would have appealed the final action.

11. Although Applicant followed the examiner's instructions, the USPTO's PAIR system indicates "Improper Request for Continued Examination." According to MPEP 7.56(B)(3), "[i]f the CPA or the RCE is improper (e.g., a filing date was not accorded in the CPA or the RCE was filed without a submission or the RCE fee), the Office will not recognize the request for suspension, and action by the Office will not be suspended. A notice of improper CPA ** or **>RCE< will be sent to applicant as appropriate." (Emphasis Added) No communication or notification was ever received from the USPTO regarding the improper filing.
12. For the reasons set forth above, it is respectfully submitted that the RCE was not improperly filed because it contained a proper request for reconsideration of the first response to the office action of June 3rd, 2004. The request for reconsideration was responsive and constituted a proper submission because it contained arguments that addressed each and every one of the issues raised in the final action.
13. In any event, even if the RCE was improperly filed, the USPTO never informed Applicant of any improper filing. If informed, Applicant would have taken the necessary steps to correct any error.
14. Moreover based on the facts set forth below, the applicant relied on the examiner's conduct in pursuing the prosecution of the application, even after the application was presumably abandoned.
15. As agreed with the examiner, on March 11, 2005, the undersigned and Mr. Pelligrini, who had traveled from California for the sole purpose of attending the

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office interview, met with the examiner at the PTO offices in Crystal City, Virginia. After a long discussion during which Mr. Pelligrini and the undersigned gave a detailed presentation of the claimed invention and its distinguishing features over the prior art, an agreement was reached regarding suggested claim amendments to overcome the examiner's concerns. A copy of the Interview Summary is attached as Exhibit C.

16. Shortly prior to termination of the interview, the examiner asked the undersigned to send him an informal copy of "Amendment and Reply" with the suggested claim amendments via e-mail. The examiner gave the undersigned his address at the USPTO and authorized me to send the reply via e-mail. The examiner also indicated that he would give the reply prompt consideration followed by instructions for formalizing the response after he had a chance to discuss the application with "higher levels."
17. Within a few hours of the office interview of March 11, 2005, the undersigned following the examiner's instructions and based on authorization from him, promptly e-mailed an "Amendment and Reply" to his address. The "Amendment and Reply" reflected the agreed claim amendments and the accompanied e-mail requested instructions for how to proceed. Copies of the transmitted "Amendment and Reply" and e-mail are attached as Exhibits D and E, respectively.
18. Accordingly, with the examiner's authorization, the Office received the "Amendment and Reply," albeit informally, via the e-mail attachment on March 11, 2005, prior to expiration of the deadline to respond to the October 8th Office Action.
19. On March 14, 2005, the examiner in an e-mail stated that he has been "talking with the other two levels of approval" regarding his concerns about "enablement with respect to the fact that the invention is essentially an on-line gambling." He also stated that "[t]hey [sic] in turn are seeking even higher level comments."

Without citing any authority, the examiner vaguely pointed to a federal prohibition for on-line gambling that "would not enable the invention in this country." The examiner asked the undersigned for supporting law that would be "helpful" to Applicant's "cause." The examiner also suggested that limiting the invention to "non-cash tokens" may overcome the prohibition to on-line gambling. A copy of the examiner's e-mail of March 14 to the undersigned is attached as Exhibit F.

20. The undersigned immediately responded the same day, i.e., March 14, via e-mail pointing out, among other things, that 1) the burden of showing that an invention is unpatentable is on the USPTO and not the inventor and 2) there is no mention of the term "cash" in the claims that would have any bearing or relevance to the enablement of the claims. The examiner responded that "my comments were based upon possibilities, not necessarily facts." He continued that "if they [i.e., his higher levels] choose they could require that federal law data through a 105 request, which would then become mandatory if they do. Failure to comply would mean the end of the application." (Emphasis added) A copy of the e-mail exchanges between the undersigned and examiner on March 14 and 15 is attached as Exhibit G.
21. In response to the examiner's "failure to comply" comment in his e-mail of March 15, the undersigned responded immediately, on March 15, citing *Ex parte Murphy*, 200 U.S.P.Q. (BNA) 801, 803 (Bd. Pat. App. & Int. 1977) as the authority for upholding patents that cover gambling devices, along with background excerpts regarding the subject. The examiner responded that "the real issue might be whether or not the invention can legally be used within the US (internet)." A copy of the e-mail exchanges between the undersigned and examiner on March 15 and 16 is attached as Exhibit H.
22. The undersigned once again promptly responded the same day that the case law clearly establishes that the public policy is no longer an issue with gambling inventions because courts have become reluctant to deny patents on based on

vague moral standards. The undersigned went on to state that the Applicant is very anxious about his invention and requested a definitive response as soon as possible. On April 1, the examiner responded that “[o]ur second pair of eyes just told me today that I should ignore the enablement issue of illegality, so I will.” A copy of the e-mail exchanges between the undersigned and examiner between March 16 and April 1 is attached as Exhibit I.

23. Not having heard from the examiner, the undersigned once again followed up on the status of this application on April 14, and the examiner responded on April 15, after the application was presumably abandoned, stating that “[o]ur art unit has spent the last two days moving down to Alexandria plus I have a backlog of other cases, so it will be a week or two before I can get back to you with any further suggested changes before you make it official.” A copy of the e-mail exchanges of April 14 and 15 between the examiner and undersigned is attached as Exhibit J.
24. Thus, the examiner himself was conducting himself as if the application was still alive by stating that "it will be a week or two before I can get back to you with any further suggested changes before you make it official." Applicant relied on the examiner's statement and continued to wait for his action even after the application was presumably abandoned on April 8.
25. On May 4th, the undersigned again asked the examiner to “help move the ball forward.” On May 19th, the examiner informed the undersigned as follows: “I have reviewed your proposed amendment and it seems to be responsive to issues raised during our discussions. I would suggest that you now formally file it. I am retiring a week from tomorrow, so this case will be reassigned to another examiner for your amendment.” The examiner's retirement announcement came as a complete surprise to Applicant and undersigned as we had trusted and relied on him throughout the prosecution of the application.
26. Consequently, the undersigned asked the examiner to act on the application,

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before retirement to prevent Applicant from having to go through another round of prosecution with a new examiner. A copy of e-mail exchanges of May 4th and 19 is attached as Exhibit K.

27. The examiner responded that "I have a number of overdue amendments that I have been told to work on for the next week, which dates all have a higher priority than your case, which is not yet an amendment of record in my docket [sic], which means you will have to deal with another examiner sometime within the two months after you formally file." A copy of Examiner's e-mail of May 19 is attached as Exhibit L.
28. Thereafter, the undersigned asked the examiner to provide me with his supervisor's information and contacted Mr. Hyung Sough to explain the situation. The undersigned also forwarded all the e-mail exchanges with the examiner to SPE Sough. A copy of the last e-mail exchange between the undersigned and examiner is attached as exhibit M.
29. On May 20, 2005, Applicant formalized the informal filing of March 11, 2005. Except for a minor page format change (in the last page), the formal response of the application, which is attached as Exhibit N, is identical to the informal reply received at the Office informally on March 11, 2005.
30. In fact, the arguments set forth in the formal response to the final office action filed on May 20, 2005 are substantially identical to arguments made in Applicant's June 3rd response to the first office action. This is because the issues raised in the first action are substantially identical to those raised in the final action. Copies of the first and final actions are attached as Exhibits O and P.
31. It is respectfully submitted that the formal "Amendment and Reply" was timely filed during the pendency of the application because no office action was issued by the USPTO in response to express request in the RCE Transmittal for reconsideration of the response filed on June 4, 2004. The request for reconsideration in the RCE Transmittal constitute a proper submission because it

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addressed each and every one of the issues raised in the final office action. Moreover, Applicant relied on the examiner's instruction for requesting reconsideration of the June 4, 2004 response.

32. Applicant not only paid the RCE filing fee, but also the fee for one month extension of time. If the RCE filing was improper, the Office should have notified Applicant. No communication regarding the improper RCE filing was ever received from the Office.
33. Moreover, the informal filing via e-mail of the March 11 "Amendment and Relay" was based on the examiner's authorization, who conducted himself as a public official. Applicant and undersigned trusted the examiner assuming that he is conducting himself in the interest of the public and relied on his presentations and communications during the prosecution of the application and after the application was presumably abandoned.
34. The reason the March 11 filing was not formalized before the presumed abandonment of the application was because the examiner engaged in dilatory tactics. The examiner first raised and then ignored the enablement issue (based on illegality of the invention) followed by the excuse for moving offices, which delayed the prosecution from March 11 until May 19th, when the examiner informed the undersigned of his retirement and transfer of prosecution to another examiner. Once again, Applicant being before a governmental agency relied on the examiner as a public official for proper instructions for moving the prosecution of his patent application forward.
35. Applicant has demonstrated diligent in responding to each and every one of the issues raised by the examiner and following up with him on the status of the application, while trying to move the prosecution forward.
36. As reflected in the Exhibits, time and time again, the examiner was apprised of the importance of the application to Applicant, who is an individual inventor with limited resources. The examiner was informed that investors in Applicant's

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invention are holding funding pending the outcome of the prosecution. Yet, the examiner, as a public official, engaged in misleading the undersigned and Applicant during the prosecution to the extent that delayed filing of the formal response to the final action.

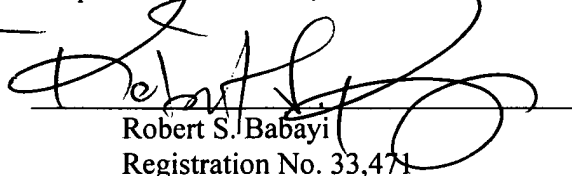
37. Based on the forgoing, Applicant respectfully requests withdrawal of the holding of abandonment because of any one or combination of the following: 1) the filing of the RCE was proper because it contained an express request for reconsideration, which was responsive to each and every one of the issues raised in the final action and no office action, including a first final action, was issued. The express request in the RCE Transmittal for reconsideration of the response of June 3, 2004 was responsive to each and every one of the issues raised in the final office action. 2) Applicant relied on the examiner's instructions regarding the filing of RCE, 3) even if the RCE was improperly filed, the Office never informed Applicant of such improper RCE filing even though RCE filing fee and extension of time fee were duly paid by Applicant, 4) examiner's misleading and dilatory conduct during the pendency of the application made the abandonment unavoidable as well as unintentional and 5) Office's failure to inform Applicant of the improper RCE filing made the abandonment of the application unavoidable as well as unintentional.

Should any additional fees be deemed due, please charge such fee to our Deposit Account No. 22-0261.

Date:

10/04/05

Respectfully submitted,



Robert S. Babayi

Registration No. 33,471

VENABLE

P.O. Box 34385

Washington, D.C. 20043-9998

Telephone: (202) 344-4800

Telefax : (202) 344-8300

FEE TRANSMITTAL for FY 2005

Patent fees are subject to annual revision.

Complete If Known

Application Number 09/736,134
 Filing Date December 15, 2000
 First Named Inventor Dante Pellegrini
 Examiner Name Richard C. Fults
 Group / Art Unit 3628
 Attorney Docket No. 22571-166778

AMOUNT OF PAYMENT (\$) 455

METHOD OF PAYMENT (check one)

1. ☒ The Commissioner is hereby authorized to charge indicated fees and credit any over payments to:

Deposit
Account
Number

22-0261

Deposit
Account
Name

VENABLE LLP

- ☒ Charge Any Additional Fee Required
Under 37 CFR 1.16 and 1.17
☒ Applicant claims small entity status.
See 37 CFR 1.27

2. ☐ Payment Enclosed:

☐ Check ☐ Credit card ☐ Money
Order ☐ Other

FEE CALCULATION

1. BASIC FILING FEE

Large Fee Code	Entity Fee (\$)	Small Fee Code	Entity Fee (\$)	Fee Description	Fee Paid
1001	1000	2001	500	Utility Filing/Search/Exam	
1002	430	2002	215	Design Filing/Search/Exam	
1003	660	2003	330	Plant Filing/Search/Exam	
1004	1400	2004	700	Reissue Filing/Search/Exam	
1005	200	2005	100	Provisional Filing	

SUBTOTAL (1)

(\$ 0)

2. EXTRA CLAIM FEES

Total Claims	0	-20 **	=	0	X	25	=	0
Independent Claims	0	-3 **	=	0	X	100	=	0
Multiple Dependent					X		=	0

Large Fee Code	Entity Fee (\$)	Small Fee Code	Entity Fee (\$)	Fee Description
1202	50	2202	25	Claims in excess of 20
1201	200	2201	100	Independent claims in excess of 3
1203	360	2204	180	Multiple dependent claim, if not paid
1204	200	2204	100	** Reissue independent claims over original patent
1205	50	2205	25	** Reissue claims in excess of 20 and over original patent

SUBTOTAL (2)

(\$ 0)

**or number previously paid, if greater; For Reissues, see above

FEE CALCULATION (continued)

3. ADDITIONAL FEES

Fee Code	Large Entity Fee (\$)	Fee Code	Small Entity Fee (\$)	Fee Description	Fee Paid
1051	130	2051	65	Surcharge - late filing fee or oath	
1052	50	2052	25	Surcharge - late provisional filing fee or cover sheet.	
1053	130	1053	130	Non-English specification	
1812	2,520	1812	2,520	For filing a request for reexamination	
1804	920*	1804	920*	Requesting publication of SIR prior to Examiner action	
1805	1,840*	1805	1,840*	Requesting publication of SIR after Examiner action	
1251	120	2215	60	Extension for reply within first month	60
1252	450	2252	225	Extension for reply within second month	
1253	1020	2253	510	Extension for reply within third month	
1254	1,590	2254	795	Extension for reply within fourth month	
1255	2160	2255	1080	Extension for reply within fifth month	
1401	500	2401	250	Notice of Appeal	
1402	500	2402	250	Filing a brief in support of an appeal	
1403	1000	2403	500	Request for oral hearing	
1451	1,510	1451	1,510	Petition to institute a public use proceeding	
1452	500	2452	250	Petition to revive - unavoidable	
1453	1,500	2453	750	Petition to revive - unintentional	
1501	1,400	2501	700	Utility issue fee (or reissue)	
1502	800	2502	400	Design issue fee	
1503	1100	25403	550	Plant issue fee	
1460	130	1460	130	Petitions to the Commissioner	
1807	50	1807	50	Processing fee under 37 CFR 1.17 (q)	
1808	180	1808	180	Submission of Information Disclosure Stmt	
8021	40	8021	40	Recording each patent assignment per property (times number of properties)	
1809	770	2809	385	Filing a submission after final rejection (37 CFR § 1.129(a))	
1810	770	2810	385	For each additional invention to be examined (37 CFR § 1.129(b))	
1801	790	2801	395	Request for Continued Examination (RCE)	395
1802	900	1802	900	Request for expedited examination of a design application	

Other fee (specify) _____

*Reduced by Basic Filing Fee Paid

SUBTOTAL (3)

(\$ 455)

SUBMITTED BY

Name (Print/Type)

Robert Babayi

Registration No. Attorney/Agent)

33,471

Telephone

(202) 344-4000

Signature

Date

WARNING: Information on this form may become public. Credit card information should not be included on this form. Provide credit card information and authorization on PTO-2038.
 SEND TO: Commissioner for Patents, Mail Stop Patent Application, Alexandria, VA 22313-1450.

VENABLE
ATTORNEYS AT LAW

PC Docs No. ::ODMA\PCDOCS\DC2DOCS\11612246\1



REQUEST FOR CONTINUED EXAMINATION (RCE) TRANSMITTAL

Subsection (b) of 35 U.S.C. § 132, effective on May 29, 2000, provides for continued examination of an utility or plant application filed on or after June 8, 1995.
See The American Inventors Protection Act of 1999 (AIPA).

Application Number	09/736,134
Filing Date	December 15, 2000
Examiner Name	Richard C. Fults
First Named Inventor	Dante Pellegrini
Group Art Unit	3628
Attorney Docket Number	22571-166778

This is a Request for Continued Examination (RCE) under 37 C.F.R. § 1.114 of the above-identified application.

NOTE: 37 C.F.R. § 1.114 is effective on May 29, 2000. If the above-identified application was filed prior to May 29, 2000, applicant may wish to consider filing a continued prosecution application (CPA) under 37 C.F.R. § 1.53 (d) (PTO/SB/29) instead of a RCE to be eligible for the patent term adjustment provisions of the AIPA. See Changes to Application Examination and Provisional Application Practice, Interim Rule, 65 Fed. Reg. 14865 (Mar. 20, 2000), 1233 Off. Gaz. Pat. Office 47 (Apr. 11, 2000), which established RCE practice.

1. Submission required under 37 C.F.R. § 1.114

- a. ☒ Previously submitted
- i. ☒ Consider the amendment(s)/reply under 37 C.F.R. § 1.116 previously filed on June 3, 2004
(Any unentered amendment(s) referred to above will be entered).
- ii. ☐ Consider the arguments in the Appeal Brief or Reply Brief previously filed on _____
- iii. ☐ Other _____
- b. Enclosed
- i. ☐ Amendment/Reply
- ii. ☐ Affidavit(s)/Declaration(s)
- iii. ☐ Information Disclosure Statement (IDS)
- iv. ☐ Other _____

2. Miscellaneous

- a. ☐ Suspension of action on the above-identified application is requested under 37 C.F.R. § 1.103(c) for a period of _____ months. (Period of suspension shall not exceed 3 months; Fee under 37 C.F.R. § 1.17(i) required)
- b. ☐ Other _____

3. Fees The RCE fee under 37 C.F.R. § 1.17(e) is required by 37 C.F.R. § 1.114 when the RCE is filed.

- a. ☒ The Director is hereby authorized to charge the following fees, or credit any overpayments, to Deposit Account No. 22-0261
- i. ☒ RCE fee required under 37 C.F.R. § 1.17(e) \$395.00
- ii. ☒ Extension of time fee (37 C.F.R. §§ 1.136 and 1.17) 60.00
- iii. ☐ Other _____
- b. ☐ Check in the amount of \$ _____ enclosed
- c. ☐ Payment by credit card (Form PTO-2038 enclosed)

SIGNATURE OF APPLICANT, ATTORNEY, OR AGENT REQUIRED

Name (Print /Type)	Robert Babay	Registration No. (Attorney/Agent)	33,471
Signature		Date	January 19, 2005

VENABLE
P.O. Box 34385
Washington, DC 20043-9998

SEND Fees and Completed Forms to the following address: Commissioner for Patents, Box RCE, P.O. Box 1450, Alexandria, VA 22313-1450.
PC Docs No. 612168



IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re application of:

Dante Pellegrini

Appl. No. 09/736,134

Filed: December 15, 2000

For: SYSTEM THAT TRANSFERS
ASSET OWNERSHIP USING A
PROBABILISTIC MODEL

Art Unit: 3628

Examiner: Richard C. Fults

Atty. Docket No.: 22571-166778

Confirmation No.: 8140

Customer No:



26694

PATENT TRADEMARK OFFICE

Amendment and Reply

Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Sir:

This is Applicant's response to an Office Action dated March 18, 2004 issued in connection with the above application.

- **Request for Extension of Time and/or Charge of Fees** begins on page 2 of this paper.
- **Amendments to the Specification** begin on page 3 of this paper.
- **Amendments to the Claims** are reflected in the listing of claims which begins on page 4 of this paper.
- **Remarks/Arguments** begin on page 9 of this paper.

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REQUEST FOR EXTENSION OF TIME AND/OR CHARGE OF FEES:

It is not believed that extensions of time or additional fees are required beyond those which are provided in this filing. However, should no check be attached or should additional extensions of time or fees be necessary to prevent abandonment of this application, then such extensions of time are hereby petitioned under 37 CFR §1.136(a), and any fees required are hereby authorized to be charged to our Deposit Account No. 22-0261. In the event of such charges, please advise us accordingly.

Applicants: Pellegrini
Application No. 09/736,134

AMENDMENTS TO THE SPECIFICATION

There are no amendments to the specification.

AMENDMENTS TO THE CLAIMS

1. (original) A method for transferring ownership of assets to participants over a network, wherein the participants interface with the network using wired or wireless devices, comprising the steps of:

issuing redeemable tokens having defined redemption values to one or more participants over the network, wherein each issued redeemable token is associated with a participant;

probabilistically selecting at least one redeemable token, when redemption value of the issued redeemable tokens reaches a collective token value; and

transferring an ownership right to at least one asset to a participant who is associated with a selected redeemable token.

2. (original) The method of claim 1 further including the step of:

specifying a redemption value for the at least one asset that corresponds to the collective token value.

3. (original) The method of claim 1, wherein the redemption value for the asset is equal to the collective token value.

4. (original) The method of claim 1, wherein the redeemable tokens are issued in response to a participant purchasing the redeemable tokens for a specified price.

5. (original) The method of claim 1, wherein the redeemable tokens are issued in response to a participant meeting an incentive criterion.

6. (original) The method of claim 5, wherein the incentive criterion requires browsing one or more web pages.

7. (original) The method of claim 1 further including the steps of:

offering the at least one asset for sale over the network by specifying a corresponding

redemption value; and

transferring the ownership right to the asset to a buyer participant who is associated with the probabilistically selected redeemable token.

8. (original) The method of claim 1 further including the steps of:

offering the at least one asset as a promotional item by specifying a corresponding incentive criterion for the promotional item;

issuing redeemable tokens to participants that meet the incentive criterion;

transferring the ownership right to the promotional item to a participant who is associated with the probabilistically selected redeemable token.

9. (original) The method of claim 1, wherein the collective token value is at least one of a pre-defined value, a value reached after a predefined time period, and a value reached after a predefined number of redeemable tokens are issued.

10. (original) A method for transferring ownership of assets to participants over a network, wherein the participants interface with the network using wired or wireless devices, comprising the steps of:

offering an asset for sale by specifying a redemption value associated with the asset;

issuing redeemable tokens having defined redemption values to one or more buyer participants who purchase the redeemable tokens, wherein each issued redeemable token is associated with a buyer participant;

probabilistically selecting at least one redeemable token, when a collective redemption value of the issued redeemable tokens reaches the redemption value associated with the asset; and

transferring an ownership right to the asset to a buyer participant who is associated with a selected redeemable token.

11. (original) A method for transferring ownership of assets to participants over a network, wherein the participants interface with the network using wired or wireless devices, comprising the steps of:

pledging an asset as a promotional item;

associating the promotional item with an incentive criterion;

issuing redeemable tokens having defined redemption values to one or more participants who meet the incentive criterion, wherein each issued redeemable token is associated with a participant;

probabilistically selecting at least one redeemable token, when redemption value of the issued redeemable tokens reaches a collective token value; and

transferring an ownership right to the asset to a participant who is associated with a selected redeemable token.

12. (original) The method of claim 11, wherein the incentive criteria requires ~~browsing one or more web pages.~~

13. (original) The method of claim 11, wherein the collective token value is at least one of a pre-defined value, a value reached after a predefined time period, and a value reached after a predefined number of redeemable tokens are issued.

14. (original) A system for transferring ownership of an asset over a network, comprising:

one or more client stations where participants interface with the network using one or more wired or wireless devices;

a server station that issues redeemable tokens having defined redemption values to the participants over the network, wherein each issued redeemable token is associated with a participant;

a processor that probabilistically selects at least one redeemable token, when a collective redemption value of the issued redeemable tokens reaches a collective token value, wherein an ownership right to the asset is transferred to a participant who is associated with a probabilistically selected redeemable token.

15. (original) The system of claim 14, wherein the redemption value for the asset is corresponds to the collective token value of the issued redeemable tokens.

16. (original) The system of claim 15, wherein the redemption value for the asset is equal to the collective token of the issued redeemable tokens.

17. (original) The method of claim 14, wherein the redeemable tokens are issued in response to a participant purchasing the redeemable tokens for a specified price.

18. (original) The system of claim 14, wherein the redeemable tokens are issued in response to a participant meeting an incentive criterion.

19. (original) The system of claim 18, wherein the incentive criterion requires browsing one or more web pages.

20. (original) The system of claim 14, wherein the asset is offered for sale over the network by specifying a corresponding redemption value; and wherein the ownership right to the asset is transferred from a seller to a buyer participant who is associated with the probabilistically selected redeemable token.

21. (original) The system of claim 14, wherein the asset is offered as a promotional item by specifying a corresponding incentive criterion for the promotional item, wherein the server station issues redeemable tokens to participants that meet the incentive criterion; and wherein the ownership right to the promotional item is transferred to a participant who is associated with the probabilistically selected redeemable token.

22. (original) The system of claim 21, wherein the incentive criterion requires browsing one or more web pages.

23. (original) The system of claim 14, wherein the collective token value is at least one of a pre-defined value, a value reached after a predefined time period, and a value reached after a predefined number of redeemable tokens are issued.

REMARKS

In view of the following remarks, the applicant respectfully requests reconsideration and further examination of the instant application.

Claim Rejections - 35 U.S.C. 112

Claims 1-23 stand rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the written description requirement.

The Action states that terms "token," "probabilistically," and "pledge" are not defined in such a way as to reasonably convey to one skilled in the relevant art that the inventor had possession of the claimed invention when the application was filed. For the reasons given below, the applicant respectfully disagrees.

It is respectfully submitted that each and every one of the objected terms have clear and defined meaning within the art. For example, according to Merriam-Webster Online Dictionary, "token," among other things, means "a symbol, an emblem, a small part representing the whole." According to the same Dictionary, one meaning of "prob-a-bil-is-tic" comprises "of, relating to, or based on probability." In other words, the term "probabilistic" relates to a parameter that is based on, or affected by probability, randomness, or chance. Finally, the Merriam-Webster Online Dictionary defines "pledge," among other things, as "a binding promise or agreement to do or forbear."

Because the objected terms are well defined, it is submitted that the applicant has complied with the "written description" requirement of 35 USC 112, first paragraph.

Claim Rejections - 35 U.S.C. 101

Claims 10-13 stand rejected under 35 U.S.C. 101 as being directed to non-statutory subject matter.

The Action states that the invention in the body of the claim must recite technology. If the invention in the body of the claim is not tied to technological art, environment or machine, the claim is not statutory. The Action however, has not provided any specific or reasons as to why claims 10-13 are deemed non-statutory.

Claim 10-13 recites a method for transferring ownership of assets to participants over a network, wherein the participants interface with the network using wired or wireless devices. The applicant respectfully submits that the claims are directed to statutory subject matter because the preambles of claims 10-13 recite the technological art, environment or machine in terms of a network, where the asset ownership is transferred, as well as in terms of wired or wireless devices that are used for interface between the participants.

Claim Rejections - 35 U.S.C. 103

Claims 1-23 stand rejected under 35 USC 103(a) as being obvious over US Patent No. 5,537,314 A issued to Kanter (Kanter).

In relevant sections, Kanter discloses a system that allows one or more sponsoring companies to offer awards to participants, if they satisfy minimum performance criterion, for example, after making a certain number of purchases. According to Kanter, the participants use one or more cards or account numbers to participate in such award programs as price discount, catalog merchandise, travel tour, cash, check, coupon, certificate or direct deposit into the participants' bank account. Also, the award could be a raffle entry or sweepstake entry, when the participants makes a sale or purchase that meets a minimum requirement.

Briefly, the claimed invention, as exemplified by the pending claim 1, covers transferring ownership of an asset over a network by issuing redeemable tokens that are associated with one or more participants and have defined redemption values. According to the claimed invention, at least one redeemable token is probabilistically selected, when the redemption value of the issued redeemable tokens reaches a collective token value which can be predetermined by the sponsoring company, which could for example be equal to a specified redemption value for the asset, as required by claims 2 and 3. The present invention

transfers ownership rights in the asset to a participant who is associated with a selected redeemable token.

It is well settled that a single prior art, such as Kanter, can be modified to establish a prima facie case of obviousness, provided that the Action sets forth (1) the relevant teachings of the prior art relied upon, preferably with references to the relevant column or page number(s) and line number(s) where appropriate, (2) the difference or differences in the claim over the applied reference, (3) the proposed modification of the applied reference necessary to arrive at the claimed subject matter, and (4) an explanation why such proposed modification would have been obvious to one of ordinary skill in the art at the time the invention was made. See M.P.E.P. §706.02(j).

Without pointing out the relevant sections of the relied upon prior art, as required by MPEP, the Action summarily states that Kanter discloses all of "the methods, steps and means described within claims 1-23," except that Kanter uses the term "award" instead of the "token" recited in the claims. As best understood, the Action argues that it would have been obvious to use the "awards" of Kanter instead of the claimed "tokens". For the reasons set forth below, the applicant respectfully disagrees.

The applicant is at a loss as to why the claims are rejected based on focus on "award," when the invention as a whole involves transfer of ownership in assets, as recited both in the Title of the instant application as well as in all claim preambles. The applicant agrees that the history of mankind is replete with instances of incentivized action in exchange for asset ownership. The applicant respectfully submits, however, that the claimed invention is an asset ownership transfer vehicle and not an award program. In fact, the award system of Kanter could be complemented by an asset transfer, according to the present invention. However, equating "award" and "token" as suggested by the Action has no relevance as to whether the present invention is patentable over Kanter. Simply put an award program is an asset transfer. In other words, an asset, e.g., tokens, transferred according to the present invention can be used in the award program of Kanter.

It is submitted that despite the summary assertion that Kanter teaches "all of the methods, steps and means described within claims 1-23," the Action fails to establish a prima

facie case of obviousness because it does not point to any teaching or suggestions in Kantor for each and every one of the expressly required claimed limitations. For example, the Action has not identified where in Kantor there is a teaching or suggestion regarding the issuance of redeemable tokens having predefined redemption values. Moreover, the Action has not pointed to any teachings or suggestions relating to such tokens being subject to probabilistic selection in order to transfer asset ownership.

The Action merely argues that it would have been obvious to use the claimed "token" of the invention as an "award" in Kantor because it would motivate action. It is unknown, however, how or why the Action has made the leap for the "award" of Kantor being considered as a redeemable token for asset ownership transfer. Based on customary and ordinary dictionary meanings set forth above, for example, the applicant respectfully submits that the claimed "token" is a symbol that represents a predefined redeemable value. Even assuming, arguendo, that the "awards" of Kantor could be construed as a "token," the Action has not pointed to any teaching or suggestion for such award having redeemable predefined value associated with a participant, as required by the claimed invention.

Another claim limitation requires probabilistically selecting at least one redeemable token, when redemption value of the issued redeemable tokens reaches a collective token value predetermined by the sponsoring company, which may own the asset or may be acting as an intermediary between buyer and seller. The Action has not identified where in Kantor this required condition for the probabilistic selection of a redeemable token is taught or suggested. Finally, the claim requires transferring an ownership right to at least one asset to a participant who is associated with a selected redeemable token. Again, the Action has not identified where in Kantor there is a teaching or suggestion for an asset ownership transfer based on the probabilistic token selection required by the claimed invention.

In view of the above remarks, the applicant submits that Claims 1-23 meet all patentability requirements. If, for any reasons, further communication would expedite prosecution of this application, the Examiner is invited to telephone the undersigned at the number provided.

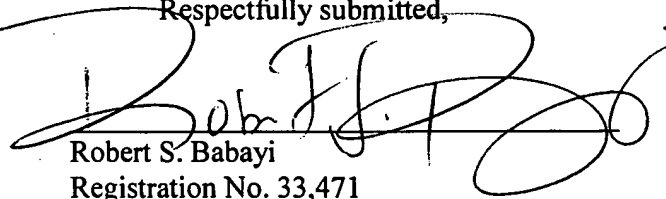
Applicants: Pellegrini
Application No. 09/736,134

Applicant believes there are no additional fees associated with this reply other than those indicated. However, if this is incorrect, the Commissioner is authorized to charge any fees which may be required for this paper to Deposit Account No. 22-0261

Respectfully submitted,

Date:

6/3/04



Robert S. Babayi

Registration No. 33,471

VENABLE

P.O. Box 34385

Washington, D.C. 20043-9998

Telephone: (202) 344-4800

Telefax : (202) 344-8300

RSB/klm
#546849

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re application of:

Dante Pellegrini

Appl. No. 09/736,134

Filed: December 15, 2000

For: SYSTEM THAT TRANSFERS
ASSET OWNERSHIP USING A
PROBABILISTIC MODEL

Art Unit: 3628

Examiner: Richard C. Fults

Atty. Docket No.: 22571-166778

Confirmation No.: 8140

Customer No:



26694

PATENT TRADEMARK OFFICE

Amendment and Reply

Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Sir:

This Amendment and Rely responds to the Office Action issued in connection with the above identified application on October 8, 2004.

Request for Extension of Time and/or Charge of Fees begins on page 2 of this paper.

- **Amendments to the Specification** begin on page 3 of this paper.
- **Amendments to the Claims** are reflected in the listing of claims which begins on page 4 of this paper.
- **Remarks/Arguments** begin on page 9 of this paper.

Applicants: Pellegrini
Application No. 09/736,134

REQUEST FOR EXTENSION OF TIME AND/OR CHARGE OF FEES:

It is not believed that extensions of time or additional fees are required beyond those which are provided in this filing. However, should no check be attached or should additional extensions of time or fees be necessary to prevent abandonment of this application, then such extensions of time are hereby petitioned under 37 CFR §1.136(a), and any fees required are hereby authorized to be charged to our Deposit Account No. 22-0261. In the event of such charges, please advise us accordingly.

Applicants: Pellegrini
Application No. 09/736,134

AMENDMENTS TO THE SPECIFICATION

There are no amendments to the specification.

AMENDMENTS TO THE CLAIMS

1. (currently amended) A method for transferring ownership of an assets to participants over a network, ~~wherein the participants interface with the network using wired or wireless devices~~, comprising the steps of:

issuing redeemable tokens having defined redemption values to one or more participants over ~~the~~ a network, wherein the participants interface with the network using wired or wireless devices, and wherein each issued redeemable token is associated with a participant;

probabilistically selecting at least one redeemable token, ~~when~~ upon or after redemption value of the issued redeemable tokens reaches a ~~collective token~~ predefined cumulative value; and

transferring ~~an~~ the ownership right to ~~at least one~~ the asset to a participant who is associated with a selected redeemable token.

2. (currently amended) The method of claim 1 further including the step of:

specifying a redemption value for the ~~at least one~~ asset that corresponds to the ~~collective token~~ predefined cumulative value.

3. (currently amended) The method of claim 1, wherein the redemption value for the asset is equal to the ~~collective token~~ predefined cumulative value.

4. (original) The method of claim 1, wherein the redeemable tokens are issued in response to a participant purchasing the redeemable tokens for a specified price.

5. (original) The method of claim 1, wherein the redeemable tokens are issued in response to a participant meeting an incentive criterion.

6. (original) The method of claim 5, wherein the incentive criterion requires browsing one or more web pages.

7. (currently amended) The method of claim 1 further including the steps of:

offering the ~~at least one~~ asset for sale over the network by specifying a corresponding redemption value; and

transferring the ownership right to the asset to a buyer participant who is associated with the probabilistically selected redeemable token.

8. (currently amended) The method of claim 1 further including the steps of:

offering the ~~at least one~~ asset as a promotional item by specifying a corresponding incentive criterion for the promotional item;

issuing redeemable tokens to participants that meet the incentive criterion;

transferring the ownership right to the promotional item to a participant who is associated with the probabilistically selected redeemable token.

9. (currently amended) The method of claim 1, wherein the ~~collective token~~ predefined cumulative value is at least one of a ~~pre-defined value~~, a value reached after a predefined time period; and a value reached after a predefined number of redeemable tokens are issued.

10. (currently amended) A method for transferring ownership of an assets to participants over a network, ~~wherein the participants interface with the network using wired or wireless devices~~, comprising the steps of:

offering ~~an~~ the asset for sale by specifying a redemption value associated with the asset;

issuing redeemable tokens having defined redemption values to one or more buyer participants who purchase the redeemable tokens, wherein each issued redeemable token is associated with a buyer participant, and wherein the participants interface with the network using wired or wireless devices;

probabilistically selecting at least one redeemable token, when a ~~collective-predefined~~ cumulative redemption value of the issued redeemable tokens reaches the redemption value

associated with the asset; and

transferring ~~an~~ the ownership right to the asset to a buyer participant who is associated with a the selected redeemable token.

11. (currently amended) A method for transferring ownership of an assets to participants over a network, ~~wherein the participants interface with the network using wired or wireless devices~~, comprising the steps of:

~~pledging offering an~~ the asset as a promotional item;

associating the promotional item with an incentive criterion;

issuing redeemable tokens having defined redemption values to one or more participants who meet the incentive criterion, wherein each issued redeemable token is associated with a participant, and wherein the participants interface with the network using wired or wireless devices;

probabilistically selecting at least one redeemable token, when redemption value of the issued redeemable tokens reaches a ~~collective token~~ predefined cumulative value; and

transferring ~~an~~ the ownership right to the asset to a participant who is associated with a the selected redeemable token.

12. (original) The method of claim 11, wherein the incentive criteria requires browsing one or more web pages.

13. (currently amended) The method of claim 11, wherein the ~~collective token~~ predefined cumulative value is at least one of a ~~pre-defined value~~, a value reached after a predefined time period, and a value reached after a predefined number of redeemable tokens are issued.

14. (currently amended) A system for transferring ownership of an asset over a network, comprising:

one or more client stations where participants interface with the network using one or

more wired or wireless devices;

a server station that issues redeemable tokens having defined redemption values to the participants over the network, wherein each issued redeemable token is associated with a participant;

a processor that probabilistically selects at least one redeemable token, ~~when upon or after a collective cumulative~~ redemption value of the issued redeemable tokens reaches a ~~collective token predefined cumulative~~ value, wherein ~~an~~ the ownership right to the asset is transferred to a participant who is associated with a ~~the~~ probabilistically selected redeemable token.

15. (currently amended) The system of claim 14, wherein the redemption value for the asset is corresponds to the ~~collective token predefined cumulative~~ value of the issued redeemable tokens.

16. (currently amended) The system of claim 15, wherein the redemption value for the asset is equal to the ~~collective token predefined cumulative~~ of the issued redeemable tokens.

17. (original) The method of claim 14, wherein the redeemable tokens are issued in response to a participant purchasing the redeemable tokens for a specified price.

18. (original) The system of claim 14, wherein the redeemable tokens are issued in response to a participant meeting an incentive criterion.

19. (original) The system of claim 18, wherein the incentive criterion requires browsing one or more web pages.

20. (original) The system of claim 14, wherein the asset is offered for sale over the network by specifying a corresponding redemption value; and wherein the ownership right to the asset is transferred from a seller to a buyer participant who is associated with the probabilistically selected redeemable token.

21. (original) The system of claim 14, wherein the asset is offered as a

promotional item by specifying a corresponding incentive criterion for the promotional item, wherein the server station issues redeemable tokens to participants that meet the incentive criterion; and wherein the ownership right to the promotional item is transferred to a participant who is associated with the probabilistically selected redeemable token.

22. (original) The system of claim 21, wherein the incentive criterion requires browsing one or more web pages.

23. (currently amended) The system of claim 14, wherein the ~~collective token~~ predefined cumulative value is at least one of a ~~pre-defined value~~, a value reached after a predefined time period, and a value reached after a predefined number of redeemable tokens are issued.

REMARKS

In view of the above amendments and the following remarks, the applicant respectfully requests reconsideration and further examination of the instant application.

Examiner Interview

First, the applicant and undersigned wish to express sincere gratitude to Examiner Fults for the courtesy of the Examiner Interview granted on March 11, 2005. During the interview, the Examiner kindly pointed out suggestions that would more clearly describe the invention. Applicant has incorporated the suggestions as reflected above and presents the following remarks for Examiner's consideration.

Claim Rejections - 35 U.S.C. 112

Claims 1-23 stand rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the written description requirement.

The Action states that terms "token," "probabilistically," and "pledge" are not defined in such a way as to reasonably convey to one skilled in the relevant art that the inventor had possession of the claimed invention when the application was filed. For the reasons given below.

As stated in response to the first issued office action, it is respectfully submitted that according to Merriam-Webster Online Dictionary, "token," among other things, means "a symbol, an emblem, a small part representing the whole." According to the same Dictionary, one meaning of "probabilistic" comprises "of, relating to, or based on probability." In other words, the term "probabilistic" relates to a parameter that is based on, or affected by probability, randomness, or chance. Because these objected terms are well defined, it is submitted that the applicant has complied with the "written description" requirement of 35 USC 112, first paragraph.

In claim 11, the applicant has changed the term "pledging" to "offering" in order to more clearly describe the claimed aspect of the invention.

Claim Rejections - 35 U.S.C. 101

Claims 1-13 stand rejected under 35 U.S.C. 101 as being directed to non-statutory subject matter. The Action states that the invention in the body of the claim must recite technology.

As suggested by the Examiner during the Interview, claim 1-13 have been amended to recite the requirement of the participants interface with the network using wired or wireless devices in the body of the claim. The applicant respectfully submits that as amended the method claims are directed to statutory subject matter.

Claim Rejections - 35 U.S.C. 103

Claims 1-23 stand rejected under 35 USC 103(a) as being obvious over US Patent No. 5,537,314 A issued to Kanter (Kanter).

In relevant sections, Kanter discloses a system that allows one or more sponsoring companies to offer participants, who earn incentive awards if they satisfy minimum performance criterion, for example, after making a certain number of purchases. According to Kanter, the participants use one or more cards or account numbers to participate in such award programs as price discount, catalog merchandise, travel tour, cash, check, coupon, certificate or direct deposit into the participants' bank account. Also, the award could be a raffle entry or sweepstake entry, when the participants makes a sale or purchase that meets a minimum requirement.

Briefly, the claimed invention, as exemplified by the pending claim 1, covers transferring ownership of an asset over a network by issuing redeemable tokens that are associated with one or more participants and have defined redemption values. According to the claimed invention, at least one redeemable token is probabilistically selected, when the redemption value of the issued redeemable tokens reaches a predefined cumulative value, which could for example be equal to a specified redemption value for the asset, as required by claims 2 and 3. The present invention transfers the ownership right in the asset to a participant who is associated with a selected redeemable token.

It is well settled that a single prior art, such as Kanter, can be modified to establish a prima facie case of obviousness, provided that the Action sets forth (1) the relevant teachings of the prior art relied upon, preferably with references to the relevant column or page number(s) and line number(s) where appropriate, (2) the difference or differences in the claim over the applied reference, (3) the proposed modification of the applied reference necessary to arrive at the claimed subject matter, and (4) an explanation why such proposed modification would have been obvious to one of ordinary skill in the art at the time the invention was made. See M.P.E.P. §706.02(j).

Without pointing out the relevant sections of the relied upon prior art, as required by MPEP, the Action summarily states that Kanter discloses all of "the methods, steps and means described within claims 1-23," except that Kanter uses the term "award" instead of the "token" recited in the claims. As best understood, the Action argues that it would have been obvious to use the "awards" of Kanter instead of the claimed "tokens". For the reasons set forth below, the applicant respectfully disagrees.

The applicant respectfully submits that the claimed invention is an asset ownership transfer vehicle and not an award program. The manner in which a participant obtains a "token" may or may not necessarily be the result of an award or incentive program even though the invention could be used for such purpose. In fact, the award system of Kanter could be complemented by an asset transfer method, according to the present invention. However, equating award and token as suggested by the Action has no relevance as to whether the present invention is patentable over Kanter because Kanter teaches an award program and the present invention is an asset transfer system and method. It should be noted that an asset transferred according to the present invention can be used in the award program of Kanter.

It is submitted that the Action fails to establish a prima facie case of obviousness because it does not point to any teaching or suggestions in Kanter for each and every one of the expressly required claimed limitations. For example, the Action has not identified where in Kanter there is a teaching or suggestion regarding the issuance of redeemable tokens having predefined redemption values. Moreover, the Action has not pointed to any teachings

or suggestions relating to such tokens being subject to probabilistic selection in order to transfer asset ownership.

The Action merely argues that it would have been obvious to use the claimed "token" of the invention as an "award" in Kantor because it would motivate action. It is unknown, however, how or why the Action has made the leap for the "award" of Kanter being considered as a redeemable token for asset ownership transfer. Based on customary and ordinary dictionary meanings set forth above, for example, the applicant respectfully submits that the claimed "token" is a symbol that represents a predefined redeemable value. Even assuming, arguendo, that the "awards" of Kanter could be construed as a "token," the Action has not pointed to any teaching or suggestion for such award having redeemable predefined value associated with a participant, as required by the claimed invention.

Another claim limitation requires probabilistically selecting at least one redeemable token, when redemption value of the issued redeemable tokens reaches a predefined cumulative value. The Action has not identified where in Kantor this required condition for the probabilistic selection of a redeemable token is taught or suggested. Finally, the claim requires transferring the ownership right to the asset to a participant who is associated with a selected redeemable token. Again, the Action has not identified where in Kantor there is a teaching or suggestion for an asset ownership transfer based on the probabilistic token selection required by the claimed invention.

In view of the above remarks, the applicant submits that Claims 1-23 meet all patentability requirements. If, for any reasons, further communication would expedite prosecution of this application, the Examiner is invited to telephone the undersigned at the number provided.

Applicant believes there are no additional fees associated with this reply other than those indicated. However, if this is incorrect, the Commissioner is authorized to charge any fees which may be required for this paper to Deposit Account No. 22-0261

Respectfully submitted,

Applicants: Pellegrini
Application No. 09/736,134

Date: _____

Robert S. Babayi
Registration No. 33,471
VENABLE
P.O. Box 34385
Washington, D.C. 20043-9998
Telephone: (202) 344-4800
Telefax : (202) 344-8300

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the secondary aspect of the invention which uses non-cash tokens generated from on-line premiums, and it was my position that those would not be considered gambling (more akin to a free door prize raffle), and they initially agreed. I may have more on this enablement subject by Wednesday. Dick Fults.

-----Original Message-----

From: Babayi, Robert S.

[mailto:RBabayi@venable.com]

Sent: Friday, March 11, 2005 7:19 PM

To: Fults, Richard

Cc: dantep@pacbell.net; Mason, Kimberly L.

Subject: US Patent Application No. 09/736,134
(Atty. Docket No. 22571-166778)

Dear Dick,

It was a pleasure for Dante and I to meet with you in person today. We both found the meeting engaging and enlightening. Per your suggestion, I have attached a copy of a draft "Amendment and Reply" for the subject application for your consideration. I look forward to your feedback as to how to proceed with prosecution of this application. Please feel free to contact me with any questions you may have regarding this matter. I look forward to hearing from you.

Robert S. Babayi

Venable LLP

Attorneys At Law

575 7th Street NW

Washington, D.C. 20004

Phone: 202-344-4045 Fax: 202-344-8300

e-mail: rsbabayi@venable.com web site:

www.venable.com

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Babayi, Robert S.

From: Fults, Richard [Richard.Fults@USPTO.GOV]
Sent: Monday, March 14, 2005 4:37 PM
To: Babayi, Robert S.
Subject: RE: US Patent Application No. 09/736,134 (Atty. Docket No. 22571-166778)

Hi -- As per my comment to you the other day, I have been talking with the other two levels of approval regarding my concerns about enablement with respect to the fact that this is essentially on-line gambling. They in turn are seeking even higher level comments. It is my understanding that there is a federal law **prohibiting** (no exceptions allowed requiring approval) on-line gambling where the server is based within the United States, which in turn would not enable this invention within this country. It may prove to be helpful to your cause for you to investigate this possibility and provide me with the name and language of that law -- if it exists. One of the possible outcomes of the higher approval review could be that if you do not voluntarily provide that information then it may be required under a 105 request, if they deem it of public interest to focus on this issue. I have also spoken with them about the secondary aspect of the invention which uses non-cash tokens generated from on-line premiums, and it was my position that those would not be considered gambling (more akin to a free door prize raffle), and they initially agreed. I may have more on this enablement subject by Wednesday. Dick Fults.

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Sent: Friday, March 11, 2005 7:19 PM
To: Fults, Richard
Cc: dantep@pacbell.net; Mason, Kimberly L.
Subject: US Patent Application No. 09/736,134 (Atty. Docket No. 22571-166778)

Dear Dick,

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Robert S. Babayi
Venable LLP
Attorneys At Law
575 7th Street NW
Washington, D.C. 20004
Phone: 202-344-4045 Fax: 202-344-8300
e-mail: rsbabayi@venable.com web site: www.venable.com

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9/29/2005

**Babayi, Robert S.**

From: Fults, Richard [Richard.Fults@USPTO.GOV]
Sent: Tuesday, March 15, 2005 12:52 PM
To: Babayi, Robert S.
Subject: RE: US Patent Application No. 09/736,134 (Atty. Docket No. 22571-166778)

First, my comments were base upon possibilities, not necessarily facts. Let's see what happens. Second, the claims speak of "redemption value", and "cumulative redemption value", which implies that something of concrete definable value was paid for the tokens, which would then have some cash values. I do not recall what the specifications said about that issue. Third, if they choose they could require that federal law data through a 105 request, which would then become **mandatory** if they do. Failure to comply would mean the end of the application. Dick

-----Original Message-----

From: Babayi, Robert S. [mailto:RBabayi@venable.com]
Sent: Monday, March 14, 2005 6:13 PM
To: Fults, Richard
Subject: RE: US Patent Application No. 09/736,134 (Atty. Docket No. 22571-166778)

Dick,

Thanks for the quick response. I forwarded your e-mail to Dante and his initial reaction to your request is that 1) there is no mention of the term "cash" in the claims for enablement, 2) the burden of showing that an invention is unpatentable is on the USPTO and not the inventor and 3) he can't afford to have us do the research you asked me to do. Any thoughts on how I should respond to Dante? I look forward to hearing form you.

Robert S. Babayi
Venable LLP
Attorneys At Law
575 7th Street NW
Washington, D.C. 20004
Phone: 202-344-4045 Fax: 202-344-8300
e-mail: rsbabayi@venable.com web site: www.venable.com

-----Original Message-----

From: Fults, Richard [mailto:Richard.Fults@USPTO.GOV]
Sent: Monday, March 14, 2005 4:37 PM
To: Babayi, Robert S.
Subject: RE: US Patent Application No. 09/736,134 (Atty. Docket No. 22571-166778)

Hi -- As per my comment to you the other day, I have been talking with the other two levels of approval regarding my concerns about enablement with respect to the fact that this is essentially on-line gambling. They in turn are seeking even higher level comments. It is my understanding that there is a federal law **prohibiting** (no exceptions allowed requiring approval) on-line gambling where the server is based within the United States, which in turn would not enable this invention within this country. It may prove to be helpful to your cause for you to investigate this possibility and provide me with the name and language of that law - if it exists. One of the possible outcomes of the higher approval review could be that if you do not voluntarily provide that information then it may be required under a 105 request, if they deem it of public interest to focus on this issue. I have also spoken with them about the secondary aspect of the invention which uses non-cash tokens generated from on-line premiums, and it was my position that those would not be considered gambling (more akin to

9/29/2005

**Babayi, Robert S.**

From: Fults, Richard [Richard.Fults@USPTO.GOV]
Sent: Wednesday, March 16, 2005 1:29 PM
To: Babayi, Robert S.
Subject: RE: US Patent Application No. 09/736,134 (Atty. Docket No. 22571-166778)

Thanks, but the real issue might be whether or not the invention can legally be used within the US (internet). Dick

-----Original Message-----

From: Babayi, Robert S. [mailto:RBabayi@venable.com]
Sent: Tuesday, March 15, 2005 4:22 PM
To: Fults, Richard
Cc: Dantepellegrini@clearchannel.com
Subject: RE: US Patent Application No. 09/736,134 (Atty. Docket No. 22571-166778)

Dick,

I would like to cite Ex parte Murphy, 200 U.S.P.Q. (BNA) 801, 803 (Bd. Pat. App. & Int. 1977) as the authority for upholding patents that cover gambling devices. Here is some background, excerpts of which I have copied from an academic article on the subject.

Patent law covers more than one type of utility. We identify three separate types of utility arguments that have been used by the courts in rejecting patent applications. The first type centers on whether an invention is operable or capable of any use. The inquiry here is whether the invention as claimed can really do anything. The second major issue is whether the invention works to solve the problem it is designed to solve. The focus here is on the operability of the invention to serve its intended purpose. The third issue, in some ways the most interesting, is whether the intended purpose of the invention has some minimum social benefit, or at least is not completely harmful or deleterious. That is, if the invention does what it is supposed to, is that something that society wants done? The first problem may be thought of as general utility; the second, specific utility, and the third, beneficial or moral utility.

The concept of immoral subject matter is thought to have originated in dictum from a Joseph Story opinion. *Lowell v. Lewis*, 1 Mason 182, 15 F. Cas. 1018 (No. 8568) (C.C.D. Mass. 1817). As examples of nonuseful inventions, he cited patents to "poison people, or to promote debauchery, or to facilitate private assassination." 15 F. Cas. 1018, 1019. This doctrine was often invoked in the late nineteenth century to deny patents on gambling devices. Interestingly, it was a successful bar to patentability even where inventions appeared to be useful for things other than gambling. See, e.g., *Schultz v. Holtz*, 82 F. 448 (N.D. Cal. 1897) (patent on coin return device for coin-operated machines denied because it had application to slot machines); *National Automatic Device Corp. v. Lloyd*, 40 F. 89, 90 (N.D. Ill. 1889) (patent on toy horse race course denied on evidence that toy course was used in bars for betting purposes).

Patents were struck down on this basis well into the twentieth century; see, e.g., *Meyer v. Buckley Mfg. Co.*, 15 F. Supp. 640, 641 (N.D. Ill. 1936) (patent denied on "game of chance" vending machine, where user inserted coin and tried to manipulate miniature steam shovel to scoop up a toy), and even as late as 1941, in a pinball machine patent case, the Seventh Circuit was careful to note the distinction between playing pinball and gambling.

Chicago Patent v. Genco, 124 F.2d 725, 728 (7th Cir. 1941) (upholding patent on pinball machine).

By the 1970s, however, the courts were regularly upholding Patents on gambling devices - both because gambling was no longer seen as a major moral issue and because courts had become more wary of denying patents on the basis of an indeterminate moral standard. As I mentioned, Ex parte Murphy, 200 U.S.P.Q. (BNA) 801, 803 (Bd. Pat. App. & Int. 1977) is the leading case that upholds patents of gambling specific devices.

Let me know if I could provide you with further information.

Robert S. Babayi
Venable LLP
Attorneys At Law
575 7th Street NW
Washington, D.C. 20004
Phone: 202-344-4045 Fax: 202-344-8300
e-mail: rsbabayi@venable.com web site: www.venable.com

-----Original Message-----

From: Fults, Richard [mailto:Richard.Fults@USPTO.GOV]
Sent: Tuesday, March 15, 2005 12:52 PM
To: Babayi, Robert S.
Subject: RE: US Patent Application No. 09/736,134 (Atty. Docket No. 22571-166778)

First, my comments were base upon possibilities, not necessarily facts. Let's see what happens. Second, the claims speak of "redemption value", and "cumulative redemption value", which implies that something of concrete definable value was paid for the tokens, which would then have some cash values. I do not recall what the specifications said about that issue. Third, if they choose they could require that federal law data through a 105 request, which would then become **mandatory** if they do. Failure to comply would mean the end of the application. Dick

-----Original Message-----

From: Babayi, Robert S. [mailto:RBabayi@venable.com]
Sent: Monday, March 14, 2005 6:13 PM
To: Fults, Richard
Subject: RE: US Patent Application No. 09/736,134 (Atty. Docket No. 22571-166778)

Dick,

Thanks for the quick response. I forwarded your e-mail to Dante and his initial reaction to your request is that 1) there is no mention of the term "cash" in the claims for enablement, 2) the burden of showing that an invention is unpatentable is on the USPTO and not the inventor and 3) he can't afford to have us do the research you asked me to do. Any thoughts on how I should respond to Dante? I look forward to hearing from you.

Robert S. Babayi
Venable LLP
Attorneys At Law
575 7th Street NW
Washington, D.C. 20004

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Babayi, Robert S.

From: Fults, Richard [Richard.Fults@USPTO.GOV]
Sent: Friday, April 01, 2005 2:43 PM
To: Babayi, Robert S.
Subject: RE: US Patent Application No. 09/736,134 (Atty. Docket No. 22571-166778)

Search in google under "us law internet gambling". The law denies gambling through a wire but allows it via satellite. Our second pair of eyes just told me today that I should ignore the enablement issue of illegality, so I will. Dick

-----Original Message-----

From: Babayi, Robert S. [mailto:RBabayi@venable.com]
Sent: Wednesday, March 16, 2005 7:19 PM
To: Fults, Richard
Subject: RE: US Patent Application No. 09/736,134 (Atty. Docket No. 22571-166778)

Dick,

The case law clearly establishes that the public policy is no longer an issue with gambling inventions because, as I mentioned before, courts have become reluctant to deny patents on based on vague moral standards. I did some research to find a valid legal authority on denying patents to "illegal" inventions that relate to Internet gambling--I haven't found any. Does anyone at the PTO knows of one?

As you would appreciate Dante is very anxious about his invention. I would appreciate if you let us know when we should expect a definitive response on this. Thanks.

Robert S. Babayi
Venable LLP
Attorneys At Law
575 7th Street NW
Washington, D.C. 20004
Phone: 202-344-4045 Fax: 202-344-8300
e-mail: rsbabayi@venable.com web site: www.venable.com

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10/3/2005

Babayi, Robert S.

From: Fults, Richard [Richard.Fults@USPTO.GOV]
Sent: Friday, April 15, 2005 1:25 PM
To: Babayi, Robert S.
Subject: RE: US Patent Application No. 09/736,134 (Atty. Docket No. 22571-166778)

Our art unit has spent the last two days moving down to Alexandria plus I have a backlog of other cases, so it will be a week or two before I can get back to you with any further suggested changes before you make it official. Dick

-----Original Message-----

From: Babayi, Robert S. [mailto:rsbabayi@venable.com]
Sent: Thursday, April 14, 2005 5:47 PM
To: Fults, Richard
Cc: dantep@pacbell.net
Subject: RE: US Patent Application No. 09/736,134 (Atty. Docket No. 22571-166778)

Dick,
Dante and I would very much appreciate if you let us know about the status of this application. When should we make our response official?
Thanks

Robert S. Babayi
Venable LLP
Attorneys At Law
575 7th Street NW
Washington, D.C. 20004
Phone: 202-344-4045 Fax: 202-344-8300
e-mail: rsbabayi@venable.com web site: www.venable.com

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Babayi, Robert S.

From: Fults, Richard [Richard.Fults@USPTO.GOV]
Sent: Thursday, May 19, 2005 3:17 PM
To: Babayi, Robert S.
Subject: RE: US Patent Application No. 09/736,134 (Atty. Docket No. 22571-166778)

I have reviewed your proposed amendment and it seems to be responsive to issues raised during our discussions. I would suggest that you now formally file it. I am retiring a week from tomorrow, so this case will be reassigned to another examiner for your amendment. Dick

-----Original Message-----

From: Babayi, Robert S. [mailto:rsbabayi@venable.com]
Sent: Wednesday, May 04, 2005 12:33 PM
To: Fults, Richard
Subject: RE: US Patent Application No. 09/736,134 (Atty. Docket No. 22571-166778)

Dick,

I hope you have successfully moved to your new offices safe and sound. As I am sure you appreciate Dante has been anxiously following up with me regarding the status of his patent application on a regular basis. Apparently, his investors are getting antsy about their investment and need to know whether they should stay or move on. Please note that it is close to two months since our meeting of Friday, March 11, 2005 and when I sent you our unofficial response. I really appreciate your help in helping us move the ball forward. Please let me know if I need to do any thing.

Robert S. Babayi
Venable LLP
Attorneys At Law
575 7th Street NW
Washington, D.C. 20004
Phone: 202-344-4045 Fax: 202-344-8300
e-mail: rsbabayi@venable.com web site: www.venable.com

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Sent: Thursday, April 14, 2005 5:47 PM

10/3/2005

**Babayi, Robert S.**

From: Fults, Richard [Richard.Fults@USPTO.GOV]
Sent: Thursday, May 19, 2005 3:34 PM
To: Babayi, Robert S.
Subject: RE: US Patent Application No. 09/736,134 (Atty. Docket No. 22571-166778)

I have a number of overdue amendments that I have been told to work on for the next week, which dates all have a higher priority than your case, which is not yet an amendment of record in my docket, which means you will have to deal with another examiner sometime within the two months after you formally file. Dick

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Sent: Thursday, May 19, 2005 3:29 PM
To: Fults, Richard
Subject: RE: US Patent Application No. 09/736,134 (Atty. Docket No. 22571-166778)

Dick,

Thanks for the response. If you think our amendment is responsive to the issues you have raised. I'd appreciate if you could act on it asap, before retirement so that we don't have to go through another round with the new examiner. What do you think?

Robert S. Babayi
Venable LLP
Attorneys At Law
575 7th Street NW
Washington, D.C. 20004
Phone: 202-344-4045 Fax: 202-344-8300
e-mail: rsbabayi@venable.com web site: www.venable.com

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Dick,

I hope you have successfully moved to your new offices safe and sound.

10/3/2005

K.

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Hyung Sough, 571-272-6799

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Sent: Thursday, May 19, 2005 4:32 PM
To: Fults, Richard
Subject: RE: US Patent Application No. 09/736,134 (Atty. Docket No. 22571-166778)

Dick,

With your permission, Dante has instructed me to discuss this case with your supervisor and make him aware of the situation. He want me to explain why we did not file the formal response until now so may be this case is prioritized. As we have mentioned before, this matter is of utmost importance to our client and his investors. Please kindly provide me with your supervisor's name and phone number

Robert S. Babayi
Venable LLP
Attorneys At Law
575 7th Street NW
Washington, D.C. 20004
Phone: 202-344-4045 Fax: 202-344-8300
e-mail: rsbabayi@venable.com web site: www.venable.com

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Subject: RE: US Patent Application No. 09/736,134 (Atty. Docket No. 22571-166778)

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Sent: Thursday, May 19, 2005 3:29 PM
To: Fults, Richard
Subject: RE: US Patent Application No. 09/736,134 (Atty. Docket No. 22571-166778)

Dick,

10/3/2005

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re application of:

Dante Pellegrini

Appl. No. 09/736,134

Filed: December 15, 2000

For: SYSTEM THAT TRANSFERS
ASSET OWNERSHIP USING A
PROBABILISTIC MODEL

Art Unit: 3628

Examiner: Richard C. Fults

Atty. Docket No.: 22571-166778

Confirmation No.: 8140

Customer No:



26694

PATENT TRADEMARK OFFICE

Amendment and Reply

Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Sir:

This Amendment and Rely responds to the Office Action issued in connection with the above identified application on October 8, 2004.

Request for Extension of Time and/or Charge of Fees begins on page 2 of this paper.

- **Amendments to the Specification** begin on page 3 of this paper.
- **Amendments to the Claims** are reflected in the listing of claims which begins on page 4 of this paper.
- **Remarks/Arguments** begin on page 9 of this paper.

Applicants: Pellegrini
Application No. 09/736,134

REQUEST FOR EXTENSION OF TIME AND/OR CHARGE OF FEES:

It is not believed that extensions of time or additional fees are required beyond those which are provided in this filing. However, should no check be attached or should additional extensions of time or fees be necessary to prevent abandonment of this application, then such extensions of time are hereby petitioned under 37 CFR §1.136(a), and any fees required are hereby authorized to be charged to our Deposit Account No. 22-0261. In the event of such charges, please advise us accordingly.

Applicants: Pellegrini
Application No. 09/736,134

AMENDMENTS TO THE SPECIFICATION

There are no amendments to the specification.

AMENDMENTS TO THE CLAIMS

1. (currently amended) A method for transferring ownership of an assets to participants over a network, wherein the participants interface with the network using wired or wireless devices, comprising the steps of:

issuing redeemable tokens having defined redemption values to one or more participants over the a network, wherein the participants interface with the network using wired or wireless devices, and wherein each issued redeemable token is associated with a participant;

probabilistically selecting at least one redeemable token, when upon or after redemption value of the issued redeemable tokens reaches a collective token predefined cumulative value; and

performing a function related to transferring an the ownership right to at least one the asset to a participant who is associated with a selected redeemable token.

2. (currently amended) The method of claim 1 further including the step of:

specifying a redemption value for the at least one asset that corresponds to the collective token predefined cumulative value.

3. (currently amended) The method of claim 1, wherein the redemption value for the asset is equal to the collective token predefined cumulative value.

4. (original) The method of claim 1, wherein the redeemable tokens are issued in response to a participant purchasing the redeemable tokens for a specified price.

5. (original) The method of claim 1, wherein the redeemable tokens are issued in response to a participant meeting an incentive criterion.

6. (original) The method of claim 5, wherein the incentive criterion requires browsing one or more web pages.

7. (currently amended) The method of claim 1 further including the steps of:

offering the ~~at least one~~ asset for sale over the network by specifying a corresponding redemption value; and

performing a function related to transferring the ownership right to the asset to a buyer participant who is associated with the probabilistically selected redeemable token.

8. (currently amended) The method of claim 1 further including the steps of:

offering the ~~at least one~~ asset as a promotional item by specifying a corresponding incentive criterion for the promotional item;

issuing redeemable tokens to participants that meet the incentive criterion;

performing a function related to transferring the ownership right to the promotional item to a participant who is associated with the probabilistically selected redeemable token.

9. (currently amended) The method of claim 1, wherein the ~~collective token~~ predefined cumulative value is at least one of a ~~pre-defined value~~, a value reached after a predefined time period; ~~and~~ or a value reached after a predefined number of redeemable tokens are issued.

10. (currently amended) A method for transferring ownership of an assets to participants over a network, ~~wherein the participants interface with the network using wired or wireless devices~~, comprising the steps of:

offering ~~an~~ the asset for sale by specifying a redemption value associated with the asset;

issuing redeemable tokens having defined redemption values to one or more buyer participants who purchase the redeemable tokens, wherein each issued redeemable token is associated with a buyer participant, and wherein the participants interface with the network using wired or wireless devices;

probabilistically selecting at least one redeemable token, when a ~~collective-predefined~~ cumulative redemption value of the issued redeemable tokens reaches the redemption value

associated with the asset; and

performing a function related to transferring an the ownership right to the asset to a buyer participant who is associated with a the selected redeemable token.

11. (currently amended) A method for transferring ownership of an assets to participants over a network, ~~wherein the participants interface with the network using wired or wireless devices~~, comprising the steps of:

~~pledging offering an~~ the asset as a promotional item;

associating the promotional item with an incentive criterion;

issuing redeemable tokens having defined redemption values to one or more participants who meet the incentive criterion, wherein each issued redeemable token is associated with a participant, and wherein the participants interface with the network using wired or wireless devices;

probabilistically selecting at least one redeemable token, when redemption value of the issued redeemable tokens reaches a ~~collective token~~ predefined cumulative value; and

performing a function relating to transferring an the ownership right to the asset to a participant who is associated with a the selected redeemable token.

12. (original) The method of claim 11, wherein the incentive criteria requires browsing one or more web pages.

13. (currently amended) The method of claim 11, wherein the ~~collective token~~ predefined cumulative value is at least one of a ~~pre-defined value~~, a value reached after a predefined time period; and or a value reached after a predefined number of redeemable tokens are issued.

14. (currently amended) A system for transferring ownership of an asset over a network, comprising:

one or more client stations where participants interface with the network using one or

more wired or wireless devices;

a server station that issues redeemable tokens having defined redemption values to the participants over the network, wherein each issued redeemable token is associated with a participant;

a processor that probabilistically selects at least one redeemable token, ~~when upon or after a collective cumulative~~ redemption value of the issued redeemable tokens reaches a ~~collective token predefined cumulative~~ value, wherein ~~an the processor performs a function related to transferring~~ ownership right to the asset ~~is transferred~~ to a participant who is associated with a ~~the~~ probabilistically selected redeemable token.

15. (currently amended) The system of claim 14, wherein the redemption value for the asset is corresponds to the ~~collective token predefined cumulative~~ value of the issued redeemable tokens.

16. (currently amended) The system of claim 15, wherein the redemption value for the asset is equal to the ~~collective token predefined cumulative~~ value of the issued redeemable tokens.

17. (original) The method of claim 14, wherein the redeemable tokens are issued in response to a participant purchasing the redeemable tokens for a specified price.

18. (original) The system of claim 14, wherein the redeemable tokens are issued in response to a participant meeting an incentive criterion.

19. (original) The system of claim 18, wherein the incentive criterion requires browsing one or more web pages.

20. (original) The system of claim 14, wherein the asset is offered for sale over the network by specifying a corresponding redemption value; and wherein the ownership right to the asset is transferred from a seller to a buyer participant who is associated with the probabilistically selected redeemable token.

21. (original) The system of claim 14, wherein the asset is offered as a

promotional item by specifying a corresponding incentive criterion for the promotional item, wherein the server station issues redeemable tokens to participants that meet the incentive criterion; and wherein the ownership right to the promotional item is transferred to a participant who is associated with the probabilistically selected redeemable token.

22. (original) The system of claim 21, wherein the incentive criterion requires browsing one or more web pages.

23. (currently amended) The system of claim 14, wherein the ~~collective token~~ predefined cumulative value is at least one of a ~~pre-defined value~~, a value reached after a predefined time period; ~~and~~ or a value reached after a predefined number of redeemable tokens are issued.

REMARKS

In view of the above amendments and the following remarks, the applicant respectfully requests reconsideration and further examination of the instant application.

Examiner Interview

First, the applicant and undersigned wish to express sincere gratitude to Examiner Fults for the courtesy of the Examiner Interview granted on March 11, 2005. During the interview, the Examiner kindly pointed out suggestions that would more clearly describe the invention. Applicant has incorporated the suggestions as reflected above and presents the following remarks for Examiner's consideration.

Claim Rejections - 35 U.S.C. 112

Claims 1-23 stand rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the written description requirement.

The Action states that terms "token," "probabilistically," and "pledge" are not defined in such a way as to reasonably convey to one skilled in the relevant art that the inventor had possession of the claimed invention when the application was filed. For the reasons given below.

As stated in response to the first issued office action, it is respectfully submitted that according to Merriam-Webster Online Dictionary, "token," among other things, means "a symbol, an emblem, a small part representing the whole." According to the same Dictionary, one meaning of "probabilistic" comprises "of, relating to, or based on probability." In other words, the term "probabilistic" relates to a parameter that is based on, or affected by probability, randomness, or chance. Because these objected terms are well defined, it is submitted that the applicant has complied with the "written description" requirement of 35 USC 112, first paragraph.

In claim 11, the applicant has changed the term "pledging" to "offering" in order to more clearly describe the claimed aspect of the invention.

Claim Rejections - 35 U.S.C. 101

Claims 1-13 stand rejected under 35 U.S.C. 101 as being directed to non-statutory subject matter. The Action states that the invention in the body of the claim must recite technology.

As suggested by the Examiner during the Interview, claim 1-13 have been amended to recite the requirement of the participants interface with the network using wired or wireless devices in the body of the claim. The applicant respectfully submits that as amended the method claims are directed to statutory subject matter.

Claim Rejections - 35 U.S.C. 103

Claims 1-23 stand rejected under 35 USC 103(a) as being obvious over US Patent No. 5,537,314 A issued to Kanter (Kanter).

In relevant sections, Kanter discloses a system that allows one or more sponsoring companies to offer participants, who earn incentive awards if they satisfy minimum performance criterion, for example, after making a certain number of purchases. According to Kanter, the participants use one or more cards or account numbers to participate in such award programs as price discount, catalog merchandise, travel tour, cash, check, coupon, certificate or direct deposit into the participants' bank account. Also, the award could be a raffle entry or sweepstake entry, when the participants makes a sale or purchase that meets a minimum requirement.

Briefly, the claimed invention, as exemplified by the pending claim 1, covers transferring ownership of an asset over a network by issuing redeemable tokens that are associated with one or more participants and have defined redemption values. According to the claimed invention, at least one redeemable token is probabilistically selected, when the redemption value of the issued redeemable tokens reaches a predefined cumulative value, which could for example be equal to a specified redemption value for the asset, as required by claims 2 and 3. The present invention transfers the ownership right in the asset to a participant who is associated with a selected redeemable token.

It is well settled that a single prior art, such as Kanter, can be modified to establish a prima facie case of obviousness, provided that the Action sets forth (1) the relevant teachings of the prior art relied upon, preferably with references to the relevant column or page number(s) and line number(s) where appropriate, (2) the difference or differences in the claim over the applied reference, (3) the proposed modification of the applied reference necessary to arrive at the claimed subject matter, and (4) an explanation why such proposed modification would have been obvious to one of ordinary skill in the art at the time the invention was made. See M.P.E.P. §706.02(j).

Without pointing out the relevant sections of the relied upon prior art, as required by MPEP, the Action summarily states that Kanter discloses all of "the methods, steps and means described within claims 1-23," except that Kanter uses the term "award" instead of the "token" recited in the claims. As best understood, the Action argues that it would have been obvious to use the "awards" of Kanter instead of the claimed "tokens". For the reasons set forth below, the applicant respectfully disagrees.

The applicant respectfully submits that the claimed invention is an asset ownership transfer vehicle and not an award program. The manner in which a participant obtains a "token" may or may not necessarily be the result of an award or incentive program even though the invention could be used for such purpose. In fact, the award system of Kanter could be complemented by an asset transfer method, according to the present invention. However, equating award and token as suggested by the Action has no relevance as to whether the present invention is patentable over Kanter because Kanter teaches an award program and the present invention is an asset transfer system and method. It should be noted that an asset transferred according to the present invention can be used in the award program of Kanter.

It is submitted that the Action fails to establish a prima facie case of obviousness because it does not point to any teaching or suggestions in Kanter for each and every one of the expressly required claimed limitations. For example, the Action has not identified where in Kanter there is a teaching or suggestion regarding the issuance of redeemable tokens having predefined redemption values. Moreover, the Action has not pointed to any teachings

or suggestions relating to such tokens being subject to probabilistic selection in order to transfer asset ownership.

The Action merely argues that it would have been obvious to use the claimed "token" of the invention as an "award" in Kantor because it would motivate action. It is unknown, however, how or why the Action has made the leap for the "award" of Kantor being considered as a redeemable token for asset ownership transfer. Based on customary and ordinary dictionary meanings set forth above, for example, the applicant respectfully submits that the claimed "token" is a symbol that represents a predefined redeemable value. Even assuming, arguendo, that the "awards" of Kantor could be construed as a "token," the Action has not pointed to any teaching or suggestion for such award having redeemable predefined value associated with a participant, as required by the claimed invention.

Another claim limitation requires probabilistically selecting at least one redeemable token, when redemption value of the issued redeemable tokens reaches a predefined cumulative value. The Action has not identified where in Kantor this required condition for the probabilistic selection of a redeemable token is taught or suggested. Finally, the claim requires transferring the ownership right to the asset to a participant who is associated with a selected redeemable token. Again, the Action has not identified where in Kantor there is a teaching or suggestion for an asset ownership transfer based on the probabilistic token selection required by the claimed invention.

In view of the above remarks, the applicant submits that Claims 1-23 meet all patentability requirements. If, for any reasons, further communication would expedite prosecution of this application, the Examiner is invited to telephone the undersigned at the number provided.

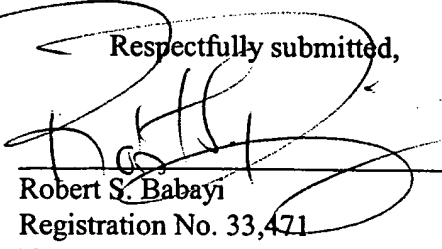
Applicants: Pellegrini
Application No. 09/736,134

Applicant believes there are no additional fees associated with this reply other than those indicated. However, if this is incorrect, the Commissioner is authorized to charge any fees which may be required for this paper to Deposit Account No. 22-0261

Date:

5-20-2005

Respectfully submitted,


Robert S. Babayi

Registration No. 33,471

VENABLE

P.O. Box 34385

Washington, D.C. 20043-9998

Telephone: (202) 344-4800

Telefax : (202) 344-8300

RSB/klm
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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/736,134	12/15/2000	Dante Pellegrini	22571-166778 RSB	8140

26694 7590 03/11/2004

VENABLE, BAETJER, HOWARD AND CIVILETTI, LLP
P.O. BOX 34385
WASHINGTON, DC 20043-9998

EXAMINER

FULTS, RICHARD C

ART UNIT

PAPER NUMBER

3628

DATE MAILED: 03/11/2004

Response - 1st OA
DOCKETED
CLIENT/MATTER # 1166778 ATTY RSB
DUE DATE 6/11/04
FINAL DEADLINE 9/11/04
DATED BY Sg/H /ham

Please find below and/or attached an Office communication concerning this application or proceeding.

MAR 12 2004

Office Action Summary

Application No.

09/736,134

Applicant(s)

PELLEGRINI, DANTE

Examiner

Richard Fults

Art Unit

3628

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 15 December 2000.
- 2a) ☐ This action is FINAL. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-23 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-23 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. _____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- ☒ Notice of References Cited (PTO-892)
- ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____.
- ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____.
- ☐ Notice of Informal Patent Application (PTO-152)
- ☐ Other: _____.

DETAILED ACTION

Claim Rejections - 35 USC § 112

The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

1. Claims 1-23 are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the written description requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventor(s), at the time the application was filed, had possession of the claimed invention. The terms "token", "probabilistically", and "pledge" are not defined in such a way as to reasonably convey to one skilled in the relevant art that the inventor(s), at the time the application was filed, had possession of the claimed invention.

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

2. Claims 1-23 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. The terms "token", "probabilistically", and "pledge" are vague and indefinite as used in the claims, and a user would have great difficulty in understanding how to make the invention.

Claim Rejections - 35 USC § 101

35 U.S.C. 101 reads as follows:

Art Unit: 3628

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

3. Claims 10-13 are rejected under USC 101 as the claimed invention is directed to non-statutory subject matter. For a claim to be statutory under 35 USC 101 the following two conditions must be met:

1) In the claim, the practical application of an algorithm or idea results in a useful, concrete, tangible result,

AND

2) The claim provides a limitation in the technological arts that enables a useful, concrete, tangible result.

As to the technology requirement, note MPEP Section IV 2(b). Also note *In re Waldbaum*, 173USPQ 430 (CCPA 1972) which teaches "useful arts" is synonymous with "technological arts". In *Musgrave*, 167USPQ 280 (CCPA 1970), *In re Johnston*, 183USPQ 172 (CCPA 1974), and *In re Toma*, 197USPQ 852 (CCPA 1978), all teach a technological requirement.

The invention in the body of the claim must recite technology. If the invention in the body of the claim is not tied to technological art, environment, or machine, the claim is not statutory. *Ex parte Bowman* 61USPQ2d 1665, 1671 (BD. Pat. App. & Inter. 2001) (Unpublished)

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Art Unit: 3628

4. Claims 1-23 are rejected under 35 U.S.C. 103(a) as being unpatentable over Kanter (US 5,537,314 A).

Kanter discloses (see at least columns 1-32, but in particular columns 1-18), either directly or through obviousness, all of the methods, steps, and means described within claims 1-23, including issuing redeemable tokens (awards) associated with a participant, probabilistically selecting token(s), and transferring an ownership right to at least one asset (award) to a participant who is associated with a selected redeemable token. Kanter does not use the term "token" but does use the term "award".

It would have been obvious to one skilled in the art at the time of the invention that Kanter in using the "award" term had previously disclosed the same features as are now claimed by the applicant, as awards have long been used to incent people to perform certain promotional acts because they have been so successful at motivating people to do so.

5. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Richard Fults whose telephone number is 703-305-5416. The examiner can normally be reached on weekdays from 8:30 to 5:00.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Hyung Sough, can be reached on (703)-305-0505. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is 703-308-1113.



RCF

3/2/2004

Notice of References Cited

Application/Control No.

09/736,134

Applicant(s)/Patent Under
Reexamination
PELLEGRINI, DANTE

Examiner

Richard Fults

Art Unit

3628

Page 1 of 1

U.S. PATENT DOCUMENTS

*		Document Number Country Code-Number-Kind Code	Date MM-YYYY	Name	Classification
	A	US-5,537,314 A	07-1996	Kanter, Mark W.	705/14
	B	US-			
	C	US-			
	D	US-			
	E	US-			
	F	US-			
	G	US-			
	H	US-			
	I	US-			
	J	US-			
	K	US-			
	L	US-			
	M	US-			

FOREIGN PATENT DOCUMENTS

*		Document Number Country Code-Number-Kind Code	Date MM-YYYY	Country	Name	Classification
	N					
	O					
	P					
	Q					
	R					
	S					
	T					

NON-PATENT DOCUMENTS

*		Include as applicable: Author, Title Date, Publisher, Edition or Volume, Pertinent Pages)
	U	
	V	
	W	
	X	

*A copy of this reference is not being furnished with this Office action. (See MPEP § 707.05(a).)
Dates in MM-YYYY format are publication dates. Classifications may be US or foreign.



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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/736,134	12/15/2000	Dante Pellegrini	22571-166778 RSB	8140
26694	7590	10/08/2004	EXAMINER	
VENABLE, BAETJER, HOWARD AND CIVILETTI, LLP P.O. BOX 34385 WASHINGTON, DC 20043-9998			FULTS, RICHARD C	
			ART UNIT	PAPER NUMBER
			3628	

DATE MAILED: 10/08/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

Appeal & final resp due

DOCKETED

22571

CLIENT/MATTER # 166778 ATTY RSB
DUE DATE Jan. 8, 2005
FINAL DEADLINE Apr. 8, 2005
DKTED BY mes

Office Action Summary

Application No.

09/736,134

Applicant(s)

PELLEGRINI, DANTE

Examiner

Richard Fults

Art Unit

3628

RF

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

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Status

- 1) ☒ Responsive to communication(s) filed on 03 June 2004.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-23 is/are pending in the application.
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Application Papers

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Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
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Attachment(s)

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- 3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____.
- 4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____.
- 5) ☐ Notice of Informal Patent Application (PTO-152)
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DETAILED ACTION

Claim Rejections - 35 USC § 112

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Art Unit: 3628

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3. Claims 10-13 are rejected under USC 101 as the claimed invention is directed to non-statutory subject matter. For a claim to be statutory under 35 USC 101 the following two conditions must be met:

1) In the claim, the practical application of an algorithm or idea results in a useful, concrete, tangible result,

AND

2) The claim provides a limitation in the technological arts that enables a useful, concrete, tangible result.

As to the technology requirement, note MPEP Section IV 2(b). Also note In re Waldbaum, 173USPQ 430 (CCPA 1972) which teaches "useful arts" is synonymous with "technological arts". In Musgrave, 167USPQ 280 (CCPA 1970), In re Johnston, 183USPQ 172 (CCPA 1974), and In re Toma, 197USPQ 852 (CCPA 1978), all teach a technological requirement.

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Art Unit: 3628

4. Claims 1-23 are rejected under 35 U.S.C. 103(a) as being unpatentable over Kanter (US 5,537,314 A).

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5. Response to Applicant's Arguments

The 112 rejections stands as written, for the reasons previously stated. The 101 lack of Technology rejection stands, as written as the applicant was unresponsive to the rejection, and offered no correction of the problem in the amendment. The issue concerning the nature of tokens vs awards is caused by the basis for the 112 rejection – the lack of any definition in the specification for the term "token" being used in the claims. The word token can mean many different things, especially in a computerized internet environment. Kanter is a valid reference against this invention.

- 6. THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the

Art Unit: 3628

shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

7. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Richard Fults whose telephone number is 703-305-5416. The examiner can normally be reached on weekdays from 8:30 to 5:00.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Hyung Sough, can be reached on (703)-305-0505. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is 703-308-1113.


RCF

9/30/2004


JEFFREY PWU
PRIMARY EXAMINER